

Message Text

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ACTION EA-14

INFO OCT-01 ISO-00 COME-00 L-03 H-03 OPIC-12 AGR-20 SPC-03

AID-20 EB-11 NSC-10 RSC-01 CIEP-02 TRSE-00 SS-15

STR-08 OMB-01 CEA-02 CIAE-00 DODE-00 INR-10 NSAE-00

PA-03 USIA-15 PRS-01 DRC-01 /156 W

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R 021028Z OCT 73

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 8337

C O N F I D E N T I A L MANILA 11164

E.O. 11652: GDS

TAGS: PFOR, EGEN, RP

SUBJECT: DRAFT AER TREATY

REF: A. STATE 192122, B. MANILA 10919, C. MANILA 10534

1. IN MEETING WITH REPRESENTATIVES OF U.S. BUSINESS COMMUNITY ON SEPTEMBER 26 ECONOMIC AND COMMERCIAL COUNSELOR AND OTHER EMBOFFS DISCUSSED AT SOME LENGTH ISSUES RELATING TO DRAFT AER PRESENTED TO GOP PREVIOUS DAY. MUCH OF SESSION WAS DEVOTED TO LAND ISSUE WITH BUSINESS COMMUNITY REITERATING LEGAL AND OTHER ARGUMENTS FOR CONTINUED OWNERSHIP WITHOUT RESTRICTION AND DESCRIBING EMOTIONAL IMPORTANCE THIS ISSUE. EMBASSY PRESENTATION ANTICIPATED DEPARTMENT VIEWS EXPRESSED REFTEL AND STRESSED THAT VERY IMPORTANT TO SUCCESSFUL STEERING OF U.S. - PHILIPPINE ECONOMIC RELATIONSHIP THROUGH TRANSITION PERIOD WOULD BE A CLEAR UNDERSTANDING BY BUSINESS COMMUNITY OF ITS BASIC PRIORITIES.

2. WHILE BUSINESS LEADERS' EMPHASIS ON EMOTIONAL ASPECTS OF LAND ISSUE ACCURATELY REFLECTS ONE ASPECT OF FEELING WITHIN BUSINESS COMMUNITY, LEADERS ALSO APPEAR INCREASINGLY AWARE THAT PRESENTATION OF DRAFT ONLY
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STARTS NEGOTIATION PROCESS, AND THAT CONTINUED ATTACH-

MENT TO PAST WISHES ON LAND ISSUE MAY DISTRACT
NEGOTIATORS FROM GIVING NECESSARY ATTENTION TO MORE
IMPORTANT QUESTIONS CONCERNING BASIC CONDITIONS OF U.S.
BUSINESS OPERATIONS IN PHILIPPINES. LEADERSHIP ADMITS
THAT TALKS INVOLVE HIGHER ORDERS OF
PRIORITY THAN LAND AND TACITLY ACCEPTS THAT "VESTED RIGHTS"
POSITION INVOLVES MORE RISKS THAN MAY BE CONSISTENT
WITH PRUDENT BUSINESS CONDUCT. THE INITIAL SHOWING,
THEY FEEL, MUST NONETHELESS BE MADE AND A PHILIPPINE
REACTION WILL BE NEEDED TO CHANGE PRESENT MOOD.

3. BUSINESS LEADERS HAVE ASKED FOR FURTHER BRIEFINGS,
PARTICULARLY ON TECHNICAL ASPECTS OF DRAFT.
EMBASSY INTENDS BE RESPONSIVE TO THESE REQUESTS AS
MUCH AS POSSIBLE AND TO CONTINUE INFORMAL
DIALOGUE WITH BUSINESS LEADERS ON MAJOR ISSUES.
PURNELL

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NNN

Message Attributes

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